

## Buying a Home in France – Managing Exchange Rate Fluctuations

*Are you hoping to purchase a property in France in the next six months? What are prices like generally and what impact could exchange rate movement have on your purchase?*

As is the case in the UK, property prices in France can differ considerably according to region. Recent reports have shown a surge in property prices in Paris, for example, with increased consumer confidence in the wake of Emmanuel Macron's Presidential victory and Briton's fleeing Brexit-Britain being cited as the main causes of the spike.

Prices are currently on track to reach their highest levels for five years, with Parisian apartments expected to keep climbing to a record average price of €8,800 per square metre as demand from both foreign and domestic buyers increases. While this upturn in property values might outprice many from owning their own home in Paris, other areas of France remain comparatively affordable. Uncertainty surrounding the UK's future relationship with the European Union (EU) is also inspiring some British buyers to purchase property before negotiations conclude in two years' time.

The price a property is being marketed at is obviously a key consideration when deciding whether to put in an offer, but as a foreign buyer it's essential to consider how you'll transfer the funds to France to finance the purchase. You also need to know what impact the exchange rate you can secure could have.

Exchange rates can be extremely volatile and fluctuate by significant amounts in a short space of time. The GBP/EUR exchange rate, for example, has moved a huge amount over the past 12 months, fluctuating between lows of €1.09 and highs of €1.31. The difference of 22 cents per pound is significant and can add up to thousands more (or less) euros when transferring the sums involved in a typical French property purchase. For example, anyone looking to move £150,000 to France the day before the EU referendum would have achieved **€196,500** to put towards their property purchase. By October 2016 that same £150,000 would have been worth just **€165,000** - €31,500 less.

That could be the difference between having 2 or 3 bedrooms, or else having enough funds left over to renovate your new home. But if exchange rates fluctuate so much, how can you time your currency transfer effectively and get the most for your money? One of the easiest ways to time your currency transfer effectively is to stay up-to-date with the latest currency news. By subscribing to regular market updates, you can keep an eye on what the GBP/EUR exchange rate is doing and arrange to move your money if the rate shifts in your favour.

With some international money transfer providers, you can also set up a Rate Alert, where you're informed automatically if the exchange rate hits a certain level. By having all the information, you need to hand, you can feel more confident in the knowledge that you are moving your money when the timing's right.

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